

**BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO**

IN THE MATTER OF THE APPLICATION OF
GMT EXPLORATION COMPANY LLC FOR AN
ORDER TO ESTABLISH AN APPROXIMATE
1,287.89-ACRE DRILLING AND SPACING
UNIT AND TO APPROVE UP TO TEN (10)
HORIZONTAL WELLS WITH WELL LOCATION
RULES FOR THE NIOBRARA FORMATION IN
SECTIONS 3 AND 4, TOWNSHIP 6 SOUTH,
RANGE 64 WEST, 6TH P.M., UNNAMED FIELD,
ELBERT COUNTY, COLORADO

CAUSE NO. 535

DOCKET NO. 181000____

TYPE: SPACING

APPLICATION

GMT Exploration Company LLC (Operator No. 10243) ("Applicant" or "GMT"), by and through its attorneys, Jost Energy Law, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order to establish an approximate 1,287.89-acre drilling and spacing unit and to approve up to ten (10) horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation underlying the below-described lands. In support of its Application, Applicant states and alleges as follows:

1. Applicant is a Colorado limited liability company duly organized and authorized to conduct business in the State of Colorado and is an operator in good standing with the Commission.

2. Applicant is an Owner as defined by the Colorado Oil and Gas Conservation Act and/or owns leasehold interests or holds the right to drill and operate on the following lands (hereafter "Application Lands"):

Township 6 South, Range 64 West, 6th P.M.

Section 3: All

Section 4: All

1,287.89 acres, more or less, Elbert County, Colorado.

A reference map of the Application Lands is attached hereto.

3. Rule 318.a. of the Commission Rules requires that, on unspaced lands, wells drilled in excess of 2,500 feet in depth be located not less than 600 feet from any lease line, and located not less than 1,200 feet from any other producible or drilling oil or gas well when drilling to the same common source of supply. The Application Lands are subject to this Rule for the Niobrara Formation.

4. The records of the Commission reflect that no wells have been drilled or are producing from the Niobrara Formation on the Application Lands.

5. To promote efficient drainage within the Niobrara Formation of the Application Lands, to protect correlative rights and to avoid waste, the Commission should establish an approximate 1,287.89-acre drilling and spacing unit for the Application Lands, and approve up to ten (10) horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

6. The above proposed drilling and spacing unit will allow efficient drainage of the Niobrara Formation; will prevent waste; will not adversely affect correlative rights and will assure the greatest ultimate recovery of gas and associated hydrocarbon substances from the reservoirs. The unit of the size and shape specified above is not smaller than the maximum area that can be economically and efficiently drained by the proposed wells in the unit in compliance with §34-60-116(2) and (4), C.R.S.

7. Applicant is requesting to drill and complete up to ten (10) horizontal wells within the proposed unit in order to efficiently and economically recover the oil, gas and associated hydrocarbons from the Niobrara Formation within the Application Lands, and there will be no adverse effect on correlative rights of adjacent owners. Applicant intends to develop the proposed wells in an east/west or west/east orientation.

8. The Applicant maintains that there will be up to two (2) pad locations in the unit, or on adjacent lands thereto, unless an exception is granted by the Director.

9. The productive interval of each proposed horizontal well shall be no closer than 600 feet from the boundaries of the unit (regardless of the lease lines within the unit) and all horizontal wells shall be no closer than 150 feet from the productive interval of another well producing from the same source of supply within the unit, unless an exception is granted by the Director.

10. The undersigned certifies that copies of this Application will be served on each interested party within seven (7) days of the filing hereof, as required by Rule 503.e.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing on October 29-30, 2018, that notice be given as required by law, and that upon such hearing this Commission enter its order to:

A. Establish an approximate 1,287.89-acre drilling and spacing unit for Sections 3 and 4, Township 6 South, Range 64 West, 6th P.M., and approve up to ten (10) horizontal wells in the unit in order to efficiently and economically develop and recover the oil, gas and associated hydrocarbons from the Niobrara Formation in the unit;

B. Provide that the productive interval any horizontal well shall be no closer than 600 feet from the boundaries of the unit and not less than 150 feet from the

productive interval of another well within the unit, and authorizing up to two well pads in the unit, or adjacent thereto, unless an exception is granted by the Director.

C. Finding that an approximate 1,287.89-acre drilling and spacing unit for the development of the Niobrara Formation on the Application Lands will prevent waste, protect correlative rights, and maximize the efficient and economic production of the Niobrara Formation in the Application Lands.

D. For such other findings and orders as the Commission may deem proper or advisable in this matter.

DATED this 30th day of August, 2018.

Respectfully submitted:

GMT Exploration Company LLC

By: 

Jamie L. Jost
Kelsey H. Wasylenky
Jost Energy Law, P.C.
Attorneys for Applicant
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(720) 446-5620

Applicant's Address:
GMT Exploration Company LLC
ATTN: Hans C. Schuster, CPL
1560 Broadway, Suite 2000
Denver, CO 80202

VERIFICATION

STATE OF COLORADO)
) ss.
CITY & COUNTY OF DENVER)

Hans C. Schuster, of lawful age, being first duly sworn upon oath, deposes and says that he is a Senior Landman for GMT Exploration Company LLC, and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

Ans. 5

Hans C. Schuster
Senior Landman
GMT Exploration Company LLC

Subscribed and sworn to before me this 30 day of August, 2018.

Witness my hand and official seal.

[SEAL]

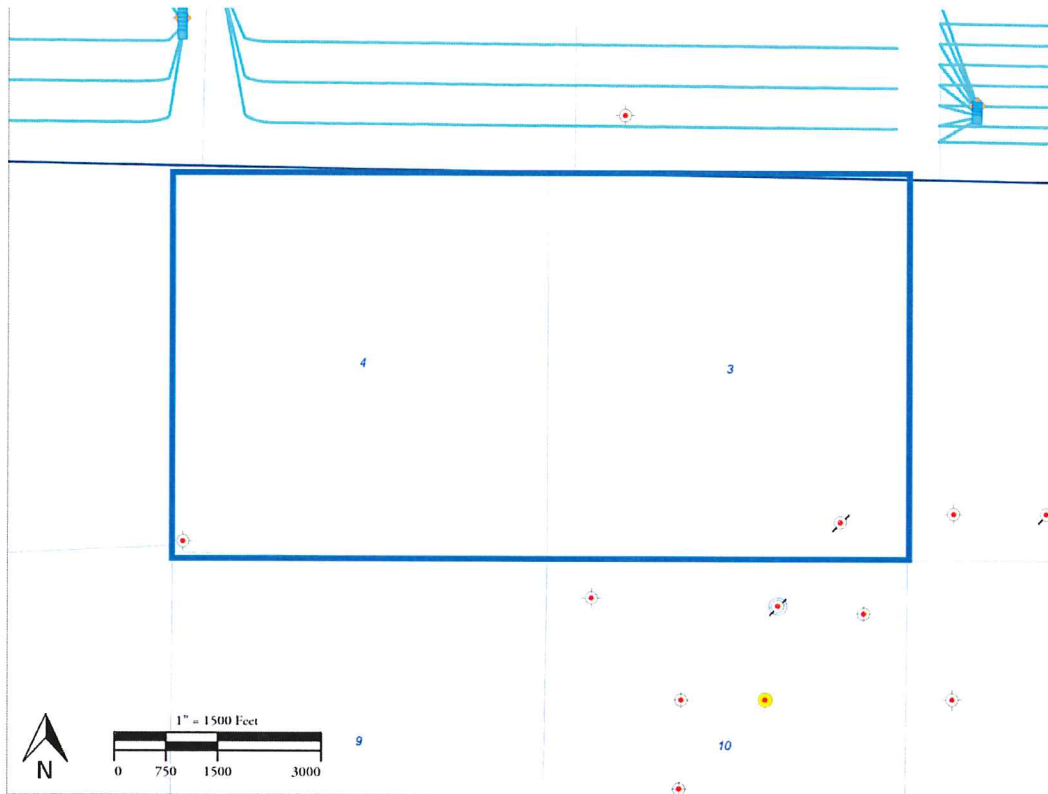


My commission expires: 12/14/19

Notary Public

Reference Map
GMT Exploration Company LLC

Sections 3 and 4, Township 6 South, Range 64 West, 6th P.M.



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ELBERT COUNTY, COLORADO

TYPE: SPACING

STATE OF COLORADO)
)ss.
CITY AND COUNTY OF DENVER)

Jamie L. Lost

Subscribed and sworn to before me this 31st day of August, 2018.

[SEAL]


Notary Public

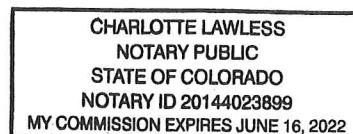


Exhibit A
GMT - SP 6S-64W-Sec 3 & 4

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